



## *How Identity Fraud and Theft Works*

### **STEP 1—Getting the Identity**

- “Wholesale” – when someone obtains lists of information on individuals through computer hacking, theft, or bribery.
- “Shoulder Surfing” – when someone watches you from a nearby location as you punch in your telephone calling card number or credit card number or pin number.
- “Dumpster Diving” – when someone goes through your trash to obtain copies of your checks, credit card or bank statements or other records that bear your name, address and telephone numbers.
- “Phishing” – Illegitimate emails or pop-up messages posing as your bank, credit card or utility company.

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### **STEP 1 – Getting the Identity (cont.)**

- Pre-approved Credit Card Applications – when someone retrieves them and activates a card for their use without your knowledge.
- Unsolicited E-mails – emails that promise benefits but request identifying information
- Telephone calls asking you to “update records”
- Second Impressions of credit cards
- Theft of incoming bills, which show your account number
- Theft of outgoing mail and bill payments

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**STEP 2—Exploiting the Identity** The thief may have false IDs made in order to begin leveraging one piece of information to obtain or establish other information or assets. These may include

- New credit card accounts
- State or local licenses
- Accounts with utility companies, apartment leases, or even home mortgages.

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## *Who Is Vulnerable?*

People who

- Keep their money in bank accounts
- Use credit or debit cards
- Generate trash with unshredded paper in it
- Casually toss credit card or other receipts into public receptacles
- Get personal bills by mail or electronically
- Don’t check their credit card reports and bank statements

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## *Who Is Vulnerable?* *(cont.)*

People who

- Don’t regularly check their credit bureau reports
- Have accessible mail boxes

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## *Prevention*

- “S” – Be STINGY about giving out your personal information
- “C” – CHECK your financial information regularly
- “A” – ASK periodically for a copy of your credit report
- “M” – MAINTAIN careful records of your banking and financial accounts for at least 1 year

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### *Prevention (cont.)*

- Register with the Direct Marketing Association to stop unsolicited credit offers.
- Deposit mail in a U.S. Postal Service Mail Box.
- Secure your mailbox or get a P.O. Box for your bills.
- Call your bank or credit card company immediately if you do not receive your bill.

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### *Reporting and Restoring*

- Contact their local police agency first and foremost. The victim needs to file a report.
- Call your financial agencies and put a fraud alert on your accounts.
- Contact their local FBI Office or U.S. Secret Service Office.
- Contact the Federal Trade Commission (FTC) to report the situation at 1-877-ID THEFT or [www.ftc.gov](http://www.ftc.gov).

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### *Reporting and Restoring (cont.)*

- Contact the fraud units of the 3 principle credit reporting companies:
  - Equifax at 1-800-525-6285
  - Experian at 1-888-397-3742
  - Trans Union at 1-800-680-7289
- The victim may need to consult with a civil attorney for necessary, specific steps in a given state.
- Check court records in your general area for bankruptcies and for mortgage liens using your name. Many records are automated, which makes the job easier.

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### *Reporting and Restoring (cont.)*

- Obtain copies of all records which show the fraudulent activity.
- Get counseling if needed.

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### *Online Resources*

- Federal Trade Commission: [www.ftc.gov](http://www.ftc.gov)
- Department of Justice: [www.usdoj.gov/criminal/fraud/idtheft.html](http://www.usdoj.gov/criminal/fraud/idtheft.html)
- Better Business Bureau: [www.bbb.org](http://www.bbb.org)
- United States Postal Services: [www.usps.com](http://www.usps.com)

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### *Online Resources (cont.)*

- Many nonprofit organizations are committed to promoting prevention and recovery from identify theft. Here are a few:  
[www.idtheftcenter.com/index.shtml](http://wwwidtheftcenter.com/index.shtml)  
[www.identitytheft.org/](http://www.identitytheft.org/)  
[www.privacyrights.org/identity.htm](http://www.privacyrights.org/identity.htm)

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